GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:170
ANSWERED ON:19.02.2003
SALE OF INDIAN SHIP BY BANGLADESH
SUBODH ROY

Will the Minister of SHIPPING be pleased to state:

(a) whether the attention of the Government has been drawn towards the news-item captioned `captured Indian ship sold by Bangladesh` appearing in the `Rashtriya Sahara` dated January 4, 2003;

(b) if so, the facts of the matter reported therein; and

(c) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI DILIPKUMAR MANSUKHLAL GANDHI)

(a) Yes, Sir.

(b) The factual position is that one of SCI`s vessels viz. m.v. Vishva Kaumudi was detained at Bangladesh on March 13, 1999.

The vessel M.V. Vishva Kamudi was on time charter to M/s R. Piyarellal International Ltd., Kolkata for a voyage spanning over 25/30 days to load 8325 tonnes of Par boiled Rice from Haldia to Mongla.The vessel arrived Mongla on 13.3.1999 and after discharge of a few bags of cargo, the vessel was off-hired by the Charterers M/s Piyarellal on the pretext that the cargo was damaged due to ship`s fault, whereas the consignees have not accepted the cargo since the cargo was allegedly off-specification, for which SCI was not responsible. The SCI`s best endeavours for a negotiated out of court settlement with the consignees could not fructify and therefore legal action was taken and a Writ-Petition was filed in the High Court division of the Supreme Court of Bangladesh.The Writ Petition was disposed of in SCI`s favour. However, the consignee viz. Ministry of Food Govt. of Bangladesh went in appeal and also filed an Admiralty Suit in the Admiralty Wing of the High Court Division of Supreme Court of Bangladesh for alleged cargo claim of about Taka 11 crores and got the vessel arrested by a Court Order.

SCI also filed a counter claim against the Ministry of Food for Tk.27.76 crores and also defended the case in the Admiralty Court.The Court proceedings are still going on in the Admiralty Court of Bangladesh though the arguments/counter arguments are almost completed and the next hearing is fixed for 1st March 2003.

In the meantime, since the vessel was in a precarious condition and was on the brink of sinking any moment with no repairs or drydock since last 3 years, SCI had applied to the Court for allowing them to sell the vessel by auction and deposit the amount with the Court, so that the catastrophe arising out of a possible sinking of the vessel could be avoided, besides avoiding the mounting cost on the vessel by way of port dues and other expenses. The Court allowed the vessel to be auctioned. Subsequently, the vessel was auctioned for BGTK 4 crores.

It is pertinent to mention here that the vessel is sold by the Court at SCI`s request and not by the Bangladesh Authorities, as alleged in the Report.

(c) This is a commercial dispute in which Government of India, as a rule, does not interfere.